INSTALLATION MANAGEMENT AGENCY, EUROPE REGION

Management Controls

Ms. Beverly Bennett

MWRD-FMG

Definitions and background

- **What are Management Controls?**
  - **Rules, procedures, and techniques managers use to ensure what should occur in daily activities does occur**

- **What do they do?**
  - **Management Controls provide reasonable assurance –NOT absolute assurance—that:**
    - **Assets are safeguarded from waste, loss, abuse**
    - **Revenues and expenditures are properly recorded**
    - **Programs work according to guidance**

bennetth@ima.e.ar

Definitions and background

- **What can happen without management controls?**
  - **Criminal activity occurs**
  - **Property is stolen**
  - **Funding is lost**
  - **Accreditation is lost**
  - **People can die**

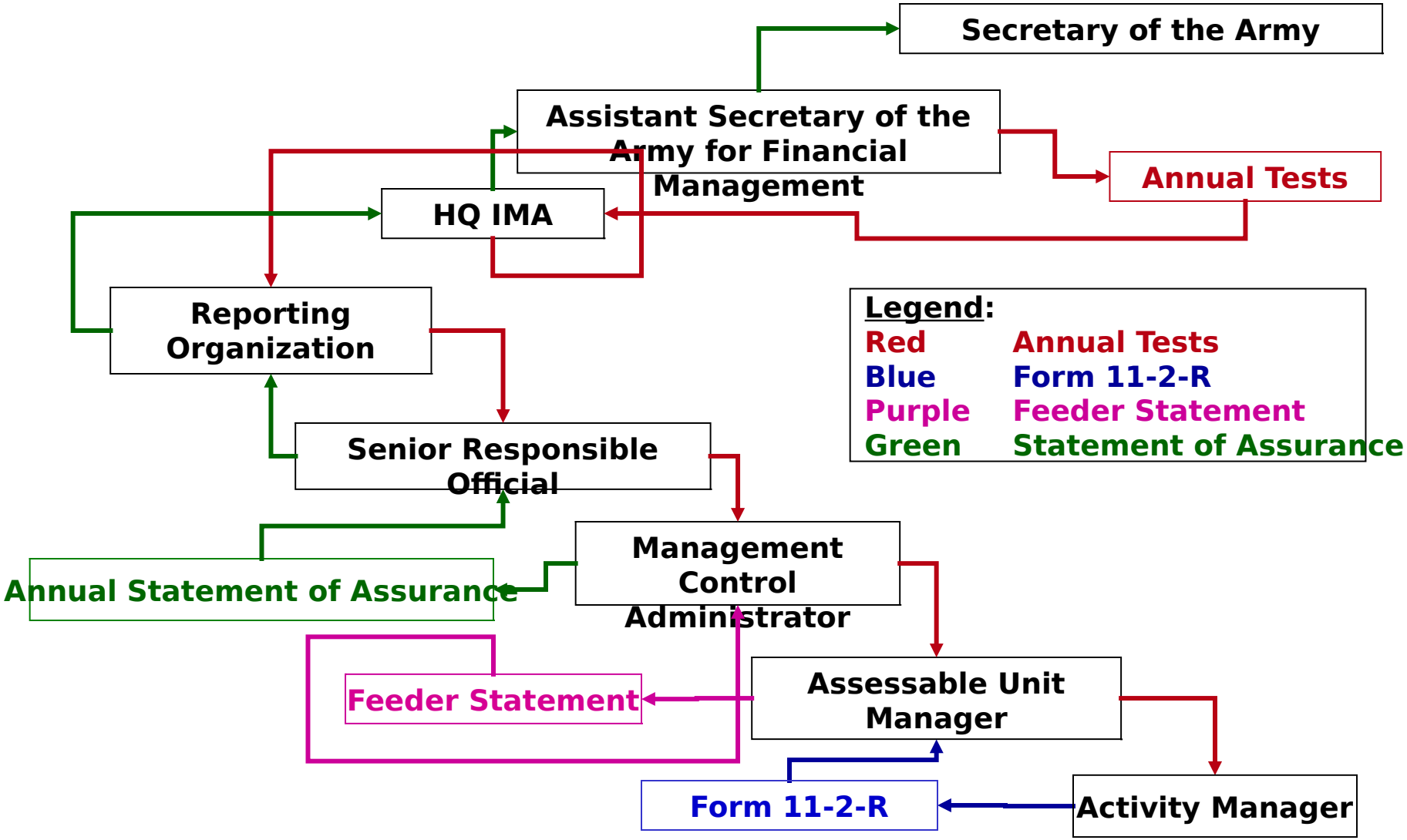
bennettb@ima.e.ar

Definitions and background

- **What is a Material Weakness?**
- **Must meet two criteria**
  - **Must involve a weakness in management controls and/or bring adverse media attention to the command**
  - **Must warrant the attention of the next level of command for their action or awareness**
- **Not all weaknesses are material**

bennetth@ima.e.ar

Management Control Process



bennetth@ima.e.ar

Management Control Process
(cont'd)

- Reporting organizations appoint Senior Responsible Official (usually the Chief of Staff)
  - At installation level, may be Chief of Staff or Garrison Commander (O-6)

- Senior Responsible Official determines Assessable Units and Assessable Unit Managers (AUMs), and appoints Management Control Administrator

bennetth@ima.army.mil

Management Control Process
(cont'd)

- **Management Control Administrator (MCP)**
  - **Ensures MCP training and provides status of training (who and how many)**
  - **Keeps Commanders and Managers informed on MCP matters**
  - **Maintains MC Plan for organization**
  - **Coordinates and prepares consolidated Annual Statement of Assurance based on feeder statements received from Assessable Unit Managers**
  - **Ensures Material Weaknesses are tracked**
  - **Retains required documents**
  - **Serves as advisor to Senior Responsible Official**

Management Control Process
(cont'd)

- **Assessable Unit Managers (AUM)**
  - **Must be Colonel or GS-15 and above when above Garrison level**
  - **In a Garrison, the AUM may be the director of an organization (i.e., Director of Community Activities, or Resource Management)**
  - **AUMs prepare feeder statements and forward them to the MCA**

Reporting Material Weaknesses

- **Two-Part Process**
  - **Evaluate selected key Management Controls and identify material weaknesses**
  - **Develop the Annual Statement of Assurance**
    - **Army's Management Control process meets requirements of Accounting and Auditing Procedures Act 1950 and Financial Manager's Integrity Act 1982, Public Law 97-255 (Codified at USC 31, Section 3512)**

bennetth@ima.e.ar

Reporting Material Weaknesses (cont'd)

- **Activities report issues they consider material to their AUMs**
- **AUMs determine materiality of each weakness and decide attention level necessary for each weakness reported**
- **AUMs include weaknesses considered material as material weaknesses in their feeder statements through the Management Control Administrator to the Reporting Organization's Senior Responsible Official**

Reporting Material Weaknesses (cont'd)

- **Management Control Administrator at each level recommends to the CoS whether to monitor locally or report forward**

- **Chief of Staff (Senior Responsible Official) decides whether to monitor locally or report forward**

Reporting Material Weaknesses (cont'd)

- **Weaknesses reported as material by ASGs will be assessed and handled by IMA-E in one of the following ways:**
  - **If the weakness is limited to one or two ASGs, return to the ASGs for action and monitoring**
  - **If a weakness is material in IMA-E but does not require HQ IMA attention, retain at IMA-E to monitor corrective actions taken by the ASGs**
  - **If the weakness is significant to the Army or requires corrective action by HQ IMA, report to HQ IMA as an IMA-E Material Weakness**

bennettb@ima-e.ar

Reporting Material Weaknesses (cont'd)

- **The decision to return, retain, or forward a weakness is subjective**
- **Each level of management has the authority to decide whether a reported weakness will be established and monitored as a MW at that level or reported higher**
- **Weaknesses considered material by HQ IMA are reported to the Assistant Secretary of the Army (FM)**
  - **The ASA determines whether they are reported to SA**